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C O N F I D E N T I A L SECTION 01 OF 03 MUSCAT 002112

SIPDIS

DEPT FOR INR/B, EB TPP, NEA/PI, NEA/ARPI
DEPT ALSO FOR ECA/PE/V/R/N (LMOODY)

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TAGS: [ETRD](#) [KTEX](#) [PINR](#) [EIND](#) [PREL](#) [KWMN](#) [SCUL](#) [PGOV](#) [MU](#)
SUBJECT: AMBITION, VISION, AND FRUSTRATION: OMANI COMMERCE
OFFICIAL SPEAKS OUT

REF: A. MUSCAT 2030

[¶](#)B. MUSCAT 1993
[¶](#)C. MUSCAT 1991

Classified By: Ambassador Richard L. Baltimore, III.
Reasons: 1.4 (b) and (d).

[¶](#)1. INR/B - please see biographic notes, para 9.

Summary

[¶](#)2. (C) A rising mid-level Omani commerce official recently described the rapid decline of the Omani textile industry, her experiences within the government, the ill-timed departure of the Commerce Under Secretary, and her positive experience visiting the United States on an International Visitor Program. Exuding confidence and energy, she laments the lack of younger leadership at all levels of government in Oman. End Summary.

Cutting Her Teeth in Industry, Textiles

[¶](#)3. (C) During the course of an hour-long courtesy call, Econoff discussed various issues relating to bilateral trade and ministerial intrigue with Sheikha Khalfan al-Masheikhi, Director of the Industrial Development Department at the Ministry of Commerce and Industry. Having worked her way through the ranks of her ministry for the better part of a decade, she gained valuable experience in dealing with local businesses and the economics of regulation. She recalled one instance where she was proud of having recommended that a dairy factory be shut down due to lack of hygiene only to realize how she could of imposed fines and given the factory a timetable to implement changes before pulling the plug.

[¶](#)4. (C) She now maintains responsibility for the textile sector in Oman, which she claims has been devastated by increasing costs and global competition. Of 33 textile factories in the 1990s, only 15-16 are still operating. She blames the high cost imposed by Omanization as the cause for the decline in competitiveness. In discussions with her counterparts at the Ministry of Manpower, she was rebuffed in a proposal to mandate only 15 percent Omanization for the textile sector; instead, Manpower officials sought an increase to 45 percent. She claims that U.S. free trade agreements with Bahrain, Jordan, and Morocco are cutting deeply into Omani competitiveness in the garment industry with their reduction in tariffs, a claim that we have heard from other contacts in the business community. One of her overarching goals is for the Sultanate to adopt a written, transparent competition policy in line with WTO standards, which would allow Omani industry to compete without abandoning its multilateral commitments.

Protege of Former Under Secretary

[¶](#)5. (C) Ms. al-Masheikhi clearly misses Ali al-Sunaidi, her former colleague and mentor who departed his post as Under Secretary of Commerce and Industry when he was named Minister

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of Sports Affairs in October (ref A). Al-Masheikhi claims that al-Sunaidi's departure was ill-timed and represents a "waste of talent," given the many economic challenges facing Oman. In her view, he would have been much better suited to take the helm at the Ministry of Manpower, or even the Commerce Ministry itself.

Red Tape Woes

[¶](#)6. (C) Al-Masheikhi scorns the "old-school" bureaucrats prevalent in the Omani government, who work out of routine instead of evincing duty or a sense of improving Oman. She gives the older generation tremendous credit for "building

Oman in just 34 years," but she firmly believes it is time for the younger, Internet-savvy generation to take the reins. Al-Masheikhi claims that the current DG of Industry, Dr. Hamad al-Dhahab, fits the "old school" mold, and that the best "new minds" are occupying only marginal positions in the ministry and the government. Even simple ideas take tremendous energy and initiative to succeed, such as her own "Business Umbrella," a workshop series designed to foster leadership skills among budding entrepreneurs from across the Sultanate. She completely revamped the program, which had been started by a predecessor but had languished from neglect. Today, all invitations for the Business Umbrella are delivered electronically, and al-Masheikhi has succeeded in organizing major teambuilding exercises across the country. Still, she constantly faces scrutiny from superiors who question her unorthodox style. In one instance, she tried to help a low-income woman from the Dhofar region package and market her incense on the margins of a conference, earning her a slap on the wrist for doing something outside of normal "procedures."

Thoughts on Tourism, Women as Ministers

17. (C) Al-Masheikhi also spoke about her recent disagreements with actions to spur tourism in Oman. The extensive renovation of forts and other historical sites in the Sultanate gall her most. "Why are they restoring things to make them look new? Why not make small improvements or preventive maintenance, and then let people come see history, like they do in Egypt and other places?" she laments. She believes that the Wahiba Sands (a popular desert destination some 180 km southeast of Muscat) could be enhanced greatly by bringing people to see traditional handicraft markets run by women in Sharqiyah. As for promoting tourism from abroad, al-Masheikhi insists that institutions such as OCIPED (Omani Center for Investment Promotion and Export Development) have not fulfilled their mission to effectively market Oman overseas. Sounding off on the recent promotion of several women to ministerial rank, al-Masheikhi criticized the idea of putting female ministers in place who lack the background or experience for their jobs. She is concerned that they are being set up for failure, which will provide fodder for the critics who claim women cannot handle ministerial jobs.
(Comment: This remark appears mostly directed at the surprising October elevation of the young college literature professor Dr. Sharifah al-Yahyai to the post of Minister of Social Development - refs B and C. End comment.)

IV Program: Broadening Her Horizons

18. (SBU) Sheikha al-Masheikhi credits her International Visitor experience with providing a close-up look at American society. From August to September 2004, Ms. al-Masheikhi participated in a program entitled "Young Economic & Business Leaders: Enhancing Leadership Potential." She noted with interest the difference between Texas, where people seemed to take a genuine interest in her background and her modest Islamic dress, and Washington, DC, where she claimed people were absorbed with their work and seemed in a perpetual hurry. She enjoyed seeing rural America, which she compared to the Omani interior in terms of lifestyle and pace of life, and she sincerely hopes to pursue a Masters or Ph.D. program at the University of Texas should the opportunity present itself.

Biographic Notes

19. (SBU) Sheikha Khalfan al-Masheikhi was born in 1969 in Ibra, located in the eastern Sharqiyah region of Oman. She currently serves as Director of the Industrial Planning Department of the Ministry of Commerce and Industry (1998-present). Previous positions in the Ministry include stints as Planning Researcher (1997-98); Acting Section Head, Chemical & Petroleum Products Specification Department (1994-97); and Chemical Specification Specialist (1994). A graduate of public schools, she went on to a distinguished academic career at Sultan Qaboos University, where she received her BA in Science (Chemistry major, Physics and Mathematics minor) in 1993. She has participated in numerous workshops, including two sponsored by the WTO (2000, 2003). She has two daughters and possesses extremely strong English skills. Her mother comes from the prominent al-Harthi tribe in Sharqiyah.

10. (SBU) In her nominating cable for the International Visitor program, her current work is outlined: "Ms. Al-Masheikhi conducts training programs for Omani entrepreneurs in Oman and abroad, leading Omani business delegations on international visits to learn new industrial management techniques to apply in Oman. Ms. Al-Masheikhi also provides advisory services to entrepreneurs on initiating new businesses, licensing, registration, and

business incentives. Ms. al-Masheikhi also plans and implements the annual industrial promotion plan, and monitors and manages the agreement between the Sultanate of Oman and the U.S. on garment exports. In addition, she drafts and edits television programs that promote Omani products under the theme, 'Our First Choice, Omani Products.'"

Comment

¶11. (C) Al-Masheikhi has no problem speaking her mind, and she obviously brings energy and ambition to her decidedly non-descript mid-level job. Her comments about a generational divide within the Commerce Ministry have been echoed in other government institutions as well. With the transfer of Ali al-Sunaidi out of the Commerce Ministry, we will seek to cultivate relationships with proactive and dynamic figures such as al-Masheikhi as we move forward briskly in our economic engagement with Oman.

BALTIMORE